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No. 03-409

IN THE
# Supreme Court of the United States

KP PERMANENT MAKE-UP, INC.,

*Petitioner*,

v.

LASTING IMPRESSION INC.
AND MCN INTERNATIONAL I, INC.,

*Respondents.*

**On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit**

## BRIEF OF AMICUS CURIAE THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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## TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS ..... i

TABLE OF AUTHORITIES ..... ii

INTRODUCTION ..... 1

I. STATEMENT OF INTEREST OF THE AMICUS CURIAE ..... 2

II. SUMMARY OF ARGUMENT ..... 4

III. ARGUMENT ..... 6

CONCLUSION ..... 19

## TABLE OF AUTHORITIES

PAGE(S)

**Cases**


*Anti-Monopoly, Inc. v. Gen. Mills Fun Group*, 684 F.2d 1316 (9th Cir. 1982) ..... 3

*Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938) ..... 8, 15

*Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991) (per curiam) ..... 17

*Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994) ..... 3

*Cosmetically Sealed Indus. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28 (2d Cir. 1997) ..... 18

*Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003) ..... 3

*Del. & Hudson Canal Co. v. Clark*, 80 U.S. (13 Wall) 311 (1872) ..... *passim*

*Dickinson v. Zurko*, 527 U.S. 150 (1999) ..... 3

*Estate of P. D. Beckwith, Inc. v. Comm'r of Patents*, 252 U.S. 538 (1920) ..... 7

*Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627 (1999) ..... 3

*Gen. Conf. Corp. of Seventh Day Adventists v. Perez*, 97 F. Supp. 2d 1154 (S.D. Fla. 2000) ..... 18

*In re Borden, Inc.*, 92 F.T.C. 669 (1978), *aff'd sub nom. Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983) ..... 3

*K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988) ..... 3





*Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366 (1st Cir. 1980) ..... 9

*Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111 (1938) ..... 8, 9

*KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061 (9th Cir. 2003), *cert. granted*, 124 S. Ct. 981 (2004) ..... 17

*Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U.S. 537 (1891) ..... 9

*Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003) ..... 3

*Nat'l Conf. of Bar Examiners v. Multistate Legal Studies, Inc.*, 692 F.2d 478 (7th Cir. 1982) ..... 9

*Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985) ..... 9

*Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996) ..... 3

*Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) ..... 3

*Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed. Cir. 1984) ..... 3

*Real Estate Corp. v. Nev. Real Estate Advisory Comm'n*, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979) ..... 3

*Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975), 425 U.S. 912 (1976) ..... 3

*Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980) ..... 15, 17

*Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446 (1911) ..... 7, 11, 13

*TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).....3

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).....3

*Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000).....3

*WarnerVision Entm't Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996).....3

*William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526 (1924).....7, 11, 13, 14

*World Carpets, Inc. v. Dick Littrell's New World Carpets*, 436 F.2d 482 (5th Cir. 1971).....18

**Statutes**

15 U.S.C. § 1052(f) (2000).....8, 9

15 U.S.C. § 1057(b) (2000).....9

15 U.S.C. § 1114 (2000).....5, 10

15 U.S.C. § 1115(a) (2000).....9

15 U.S.C. § 1115(b) (2000)..... *passim*

15 U.S.C. § 1125(a) (2000).....5, 10

15 U.S.C. § 1127 (2000).....15

**Other Authorities**

134 Cong. Rec. S16974 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini).....4

S. REP. NO. 100-515 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577.....16

Trademark Amendments Act of 1999, Pub. L. No. 106-43, 113 Stat. 218 (1999).....4

Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988).....4

Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, 112 Stat. 3064 (1998).....4

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# BRIEF OF AMICUS CURIAE THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF PETITIONER

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## INTRODUCTION

The International Trademark Association ("INTA"),[1] having obtained written consent of the parties pursuant to

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[1] This brief was not authored, in whole or in part, by counsel to a party, and no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae and its counsel. Neither petitioner nor respondent is a member of, or otherwise affiliated with, amicus curiae.

Rule 37.3 of the Rules of this Court,[2] submits this brief as amicus curiae. INTA believes that the Court of Appeals erred in holding both that a full likelihood of confusion analysis is required to evaluate the "fair use" defense and that a defendant invoking the defense bears the burden of demonstrating that confusion is unlikely. But, although it is inappropriate to import the full likelihood of confusion analysis into the fair use defense, certain evidence traditionally considered in that analysis will often be relevant to the inquiry into whether a junior use actually satisfies the defense's requirements.

Beyond the Court of Appeals' general description, INTA is not familiar with the details of the parties' respective uses or products, nor with the evidence on which the District Court and Court of Appeals relied. It thus does not take a position on the merits of which of the parties enjoys priority of rights, whether the respondents' mark is descriptive, whether the petitioner's use qualifies as fair, or whether a likelihood of confusion exists.

## I. STATEMENT OF INTEREST OF THE AMICUS CURIAE

INTA is a not-for-profit organization whose more than 4,300 members have a special interest in trademarks. They include trademark owners, law firms, advertising agencies, package design firms, and professional associations from the United States and 170 other countries. All share the goals of emphasizing the importance of trademarks and trademark protection, and of promoting an understanding of the essential role trademarks play in fostering informed decisions by consumers, effective commerce, and fair competition. INTA members frequently are participants in trademark litigation, and therefore are interested in the development of

[2] The consents have been filed with the Clerk with this brief.



clear and consistent principles of trademark and unfair competition law. INTA has substantial expertise in trademark law and has selectively participated as an amicus curiae in cases involving significant trademark issues.[3]

INTA was founded in 1878 as the United States Trademark Association, in part to encourage the enactment of federal trademark legislation after the invalidation on constitutional grounds of this country's first trademark act. Since that time, INTA has been instrumental in making recommendations and providing assistance to legislators in con-

[3] Cases in which INTA has filed amicus briefs include: *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003); *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627 (1999); *Dickinson v. Zurko*, 527 U.S. 150 (1999); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); *WarnerVision Entm't Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996); *Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996); *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994); *Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed. Cir. 1984); *Anti-Monopoly, Inc. v. Gen. Mills Fun Group*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), *aff'd sub nom. Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983); *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975), 425 U.S. 912 (1976); *Century 21 Real Estate Corp. v. Nev. Real Estate Advisory Comm'n*, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979).

nection with federal trademark legislation, including the Trademark Law Revision Act of 1988 ("TLRA"). *See* 134 Cong. Rec. S16974 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini). Although many of its legislative initiatives have been aimed at strengthening trademark protection, INTA also has encouraged the enactment of statutory revisions to restrict overreaching trademark claims. *See* Trademark Amendments Act of 1999, § 5, Pub. L. No. 106-43, 113 Stat. 218, 220 (1999); Trademark Law Treaty Implementation Act, § 201(1)(2)-(5), Pub. L. No. 105-330, 112 Stat. 3064, 3069-70 (1998). This includes INTA's support of an amendment with a direct bearing on the outcome of this litigation. *See* TLRA, § 30(1), Pub. L. No. 100-667, 102 Stat. 3935, 3944-45 (1988).

## II. SUMMARY OF ARGUMENT

The "fair use" defense codified in section 33(b)(4) of the Lanham Act, 15 U.S.C. § 1115(b)(4) (2000), embodies a fundamental principle of trademark law, which is to protect consumers' access to accurate information in the marketplace, especially information describing characteristics of the goods and services being offered for sale. To that end, both the common law and the Lanham Act require plaintiffs seeking trademark protection for descriptive words as their trademarks to demonstrate that the words have acquired a "secondary meaning" apart from their primary one. Once a descriptive term has achieved secondary meaning, it is fully protectable against the use by another of the term as a mark for the other's goods. At the same time, both the common law and the Lanham Act seek to ensure that the public can still use descriptive terms fairly in their original descriptive sense. Thus, the fair use defense provides that there is no liability if the allegedly infringing use is other than as a mark, and made fairly and in good faith only to describe the individual name of the defendant or to describe its goods or services or their geographic origin.



That a mark and registration may have obtained "incontestable" status does not change this analysis. This Court has previously recognized that incontestability may excuse a federal registrant from carrying what otherwise would be its burden to prove the secondary meaning of its mark. Nevertheless, this statutory burden-shifting does not extend to the test for liability itself—in this case, the likelihood of confusion standard codified by sections 32 and 43(a) of the Lanham Act. *See* 15 U.S.C. §§ 1114, 1125(a) (2000). Rather, section 33(b)(4) requires only that the challenged use be (1) one other than as a trademark, (2) fair and in good faith, and (3) only to describe the defendant's goods and services. Likelihood of confusion is not referenced by the statute, and a defendant asserting the fair use defense need not prove the absence of likely confusion if the three statutory prerequisites for the defense are met.

In this case, the Court of Appeals erred by importing the likelihood of confusion test into section 33(b)(4) and by requiring petitioner to establish the absence of likely confusion. That error, however, should not obscure the relevance to the fair use inquiry of certain types of evidence that also are relevant to the issue of likely confusion. For example, a defendant's clear intent to trade on the goodwill of a plaintiff's mark obviously would weigh against a finding that the defendant's use is in good faith. Likewise, actual confusion in the marketplace may be probative evidence as to whether the defendant has used the descriptive term as a trademark. Consequently, INTA urges the Court not to adopt a reading of section 33(b)(4) that would eliminate consideration of evidence relevant to likelihood of confusion if that evidence is also germane to the fair use defense.[4]

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[4] Although the statutory fair use defense, 15 U.S.C. § 1115(b)(4) (2000), encompasses personal names and geographic designations in addition to geographically descrip-

## III. ARGUMENT

### A. Fundamental Public Interests Compete When Trademark Law is Applied to Descriptive Terms

Trademark law provides a legal framework governing the communication from providers of goods and services to the consuming public of information relating to the source and nature of those goods and services. Fundamental to this framework is the premise that words, language, and features that are descriptive of the characteristics or qualities of goods or services remain in the public domain for use by all to describe or denote those characteristics or qualities. Equally fundamental is the premise that a merchant may not mark its goods or services with a name or feature that is likely to cause confusion with the goods or services of another having superior rights to that name or feature. An inherent conflict arises between these two premises when a substantial portion of the consuming public comes to associate a descriptive term or feature with a single source. The issue then becomes how to reconcile the public interest in maintaining descriptive terms and features in the public domain for use by all in their descriptive sense with the public interest in minimizing or avoiding relevant consumer confusion. As discussed in greater detail below, the fair use defense represents a common-law and statutory compromise of these competing interests that tolerates a likelihood of confusion, under limited circumstances, in favor of the public's interest in having access to descriptive terms.

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tive terms and merely descriptive terms, geographic designations and personal names are not at issue in this case. This brief therefore addresses only the use of merely descriptive terms, and INTA takes no position relating to the proper construction of the fair use defense with regard to personal names or geographic designations.



#### 1. Descriptive Terms And Features Ordinarily Are In The Public Domain For Use By All In Their Primary Descriptive Sense

The rule developed long ago at common law that terms that are descriptive of the qualities, ingredients, or characteristics of a product cannot be appropriated by any one person to the exclusion of all others:

> It was settled long prior to the Trade-Mark Registration Act [of 1905] that the law would not secure to any person the exclusive use of a trademark consisting merely of words descriptive of the qualities, ingredients or characteristics of an article of trade. This for the reason that the function of a trade-mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words merely descriptive of qualities, ingredients or characteristics, when used alone, do not do this. Other like goods, equal to them in all respects, may be manufactured or dealt in by others, who, with equal truth, may use, and must be left free to use, the same language of description in placing their goods before the public.

*Estate of P. D. Beckwith, Inc. v. Comm'r of Patents*, 252 U.S. 538, 543-44 (1920); *see also William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 528 (1924); *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446, 454 (1911); *Del. & Hudson Canal Co. v. Clark*, 80 U.S. (13 Wall) 311, 323 (1872).

This rule is necessary to promote competition by enabling merchants access to terms that describe the nature, qualities, ingredients, or characteristics of the goods or services they offer. As this Court explained long ago:

> No one can claim protection for the exclusive use of a trade-mark or trade-name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. Nor can a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trade-mark and the exclusive use of it be entitled to legal protection.

*Del. & Hudson Canal Co.*, 80 U.S. (13 Wall) at 323. As a fundamental premise, therefore, trademark law strives to keep descriptive terms in the public domain for use by everyone to *describe* their goods and services.

### 2. To Prevent Commercial Fraud And Consumer Confusion, However, Trademark Protection Is Afforded To Descriptive Terms That Have Acquired A "Secondary Meaning" Of Designating A Single Source

Notwithstanding the basic presumption that descriptive terms should be free for all to use to *describe* their goods and services, a descriptive term may function as a mark and be protected as a mark when the descriptive term, through extensive use and promotion (as a mark), acquires a meaning among a significant portion of the relevant consuming public that designates the particular merchant as the source for the goods or services offered under the term. *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938); *see also Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 113 (1938); 15 U.S.C. § 1052(f) (2000). At common law, such a mark is said to have achieved a "secondary meaning." That is, the primary significance of the descriptive term in the minds of the consuming public is no longer its original, descriptive meaning, but rather is a secondary, source-identifying meaning. *Kellogg*, 305 U.S. at 113. Under section 2(f) of the Lanham Act, a mark with secondary meaning is said to have "acquired distinctiveness." *See* 15 U.S.C. § 1052(f).



If a plaintiff's mark is not covered by a federal trademark registration, the plaintiff bears the burden of proving that the mark is distinctive, and therefore protectable. *See, e.g., Nat'l Conf. of Bar Examiners v. Multistate Legal Studies, Inc.*, 692 F.2d 478, 488 (7th Cir. 1982). A federal registration less than five years old, however, is *prima facie* evidence of the mark's distinctiveness, which shifts the burden of proving an absence of distinctiveness to the defendant. *See* 15 U.S.C. §§ 1057(b), 1115(a); *see also Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 373 (1st Cir. 1980). Provided that the registrant complies with certain formalities, the registration may become "incontestable" after its fifth anniversary, at which point it constitutes "conclusive" proof of the underlying mark's validity under section 33(b) of the Lanham Act. *See* 15 U.S.C. § 1115(b). As this Court previously has recognized, this burden shifting precludes a defendant from arguing that the plaintiff's mark is merely descriptive and without distinctiveness. *See Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 205 (1985).

Whatever the means by which a descriptive term acquires sufficient secondary meaning that it functions as a mark for the first merchant, to allow a second merchant to use the term as its own mark (to identify and distinguish, rather than describe its similar or related goods or services) would foster the potential for a fraud on the consuming public. Accordingly, if the use by the second merchant of the term *as a mark* causes a likelihood of confusion, trademark infringement arises both under the common law, *see Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U.S. 537, 546 (1891), and under the two federal statutory causes of action asserted

by the respondents in this action. *See* 15 U.S.C. §§ 1114, 1125(a) (2000). Because the second merchant could use any one of a myriad of other terms *as its trademark*, including arbitrary, fanciful, or suggestive terms, the public interest in preventing confusion overrides the public interest in allowing use of descriptive terms, at least with regard to use of the descriptive terms as marks.

The more difficult situation arises when the second merchant uses the descriptive term to describe its goods or services, rather than as a source-identifying designation for its goods or services. If confusion results, this scenario creates the classic conflict between the public interest in preserving a right to describe and the public interest in avoiding consumer confusion. The fair use defense was developed at common law and codified in the Lanham Act to address these competing public interests.

### B. The Fair Use Defense Reconciles The Competing Interests That Arise Under Trademark Law With Regard To Use Of Descriptive Terms

The fair use defense, developed at common law through the decisions of this Court and other courts, sanctions use of descriptive terms to describe and denote one's products. As codified in section 33(b)(4) of the Lanham Act, 15 U.S.C. § 1115(b)(4), the defense has three basic requirements: (1) that the use be other than as a mark, (2) fair and in good faith, and (3) only to describe a defendant's goods and services. As under the common law, likelihood of confusion is not an issue, and a defendant asserting the fair use defense need not prove its absence if the three statutory prerequisites are met.



#### 1. This Court Has Long Recognized A Defense Permitting The Non-Trademark And Descriptive Use Of Descriptive Terms Regardless Of Whether Confusion Exists

Three decisions of this Court firmly establish the fair use defense under common law. *See William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526 (1924); *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446 (1911); *Del. & Hudson Canal Co. v. Clark*, 80 U.S. (13 Wall) 311 (1871). In *Delaware & Hudson Canal Co.*, the plaintiffs were producers of coal from the Lackawanna Valley, and had adopted the name "Lackawanna Coal" as a trademark for their coal. The plaintiffs sought to preclude the defendant's use of "Lackawanna Coal" to describe its own coal, which also was mined and produced in the Lackawanna Valley. *See* 80 U.S. (13 Wall) at 320-22.

In affirming the denial of the plaintiffs' claim, this Court noted that as a general rule, no one can claim exclusive rights to merely descriptive terms, *id.* at 323, and that the defendant's good faith use of "Lackawanna Coal" *as* a descriptive term therefore did not constitute an attempt to deceive the public:

> It cannot be said that there is any attempt to deceive the public when one sells as Kentucky Hemp, or as Lehigh coal, that which in truth is such, or that there is any attempt to appropriate the enterprise or business reputation of another who may have previously sold his goods with the same description. It is not selling one man's goods as and for those of another.

*Id.* at 324-25. The Court thereby enunciated the basic premise that no actionable wrong occurs when a defendant uses

descriptive terms fairly and only to describe the goods or services associated with the terms.

The Court then made clear that so long as there is no wrongful intent and so long as the words are used only to describe, the use is proper even if confusion is likely or actually occurs:

> It is only when the adoption or imitation of what is claimed to be a trade-mark amounts to a false representation, express or implied, designed or incidental, that there is any title to relief against it. True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to its goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.
>
> ....
>
> We are therefore of the opinion that the defendant has invaded no right to which the plaintiffs can maintain a claim. By advertising and selling coal brought from the Lackawanna Valley as Lackawanna coal, he has made no false representation, and we see no evidence that he has attempted to sell his coal as and for the coal of the plaintiffs. If the public are led into mistake, it is by the truth, not by any false pretense. If the complainants' sales are diminished, it is because they are not the only producers of Lackawanna coal, and not because of any fraud of the defendant.



*Id.* at 327-28. This Court therefore made clear that a defense existed at common law to a claim of trademark infringement – a claim of likelihood of confusion – so long as the accused use was fair, in good faith, and only to describe the goods or services at issue.

This Court reiterated this holding forty years later in *Standard Paint*, in which the plaintiff manufactured a roofing material that it sold under the mark "Rubberoid." The defendant manufactured a similar material for which it used the name "Rubbero." In affirming the denial of relief, this Court noted that "the essence of the wrong for the violation of a trade-mark 'consists in the sale of the goods of one manufacturer or vendor as those of another; and that it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief.'" 220 U.S. at 453-54 (quoting *Del. & Hudson Canal Co.*, 80 U.S. (13 Wall) at 323). Stated differently, so long as a defendant uses the accused terminology to describe its own products truthfully and fairly, no wrong has occurred.

The Court again reiterated this basic premise in *William R. Warner & Co*:

> A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trademark and the exclusive use of it afforded legal protection. The use of a similar name by another *to truthfully describe* his *own product* does not constitute a legal or moral wrong, even if its effect be to cause the public to mistake the origin or the ownership of the product.

265 U.S. at 529 (emphasis added). Because the defendant had actively encouraged passing off and substitution, this

Court suggested that injunctive relief be entered on remand requiring appropriate disclaimers and legends to preclude such activity. *Id.* at 532-33. The Court, however, did not alter its basic application of the fair use defense.

### 2. The Common-Law Fair Use Defense Was Codified In The Lanham Act With Three Basic Requirements That Are Independent Of Whether A Likelihood Of Confusion Exists

The common-law fair use defense is codified as section 33(b)(4) of the Lanham Act, 15 U.S.C. § 1115(b)(4)(2000), which recognizes as a defense in an infringement action:

> That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of a party's individual name in his own business, or the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

*Id.* The statute therefore requires that a defendant prove only three conditions to be entitled to rely on the fair use defense: that the use be (1) other than as a trademark, (2) fair and in good faith, and (3) only to describe the defendant's goods and services.

Consistent with the prior decisions of this Court, the requirement that the use be "otherwise than as a mark" does not mean that the descriptive terms at issue cannot be used as part of a name or mark at all. Rather, it emphasizes that the nature of the use of the descriptive terms must be to describe the characteristics or qualities of the goods and services in-



stead of to "identify and *distinguish*"[5] the goods and services as those of the defendant. This distinction is important for it reconciles the concept of protecting descriptive terms that have acquired secondary meaning (distinctiveness), *see Armstrong Paint & Varnish Works*, 305 U.S. at 335-36, with the concept that a merchant has the right to use descriptive terms fairly to describe its goods and services. *See Del. & Hudson Canal Co.*, 80 U.S. (13 Wall) at 327; *see also Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980) (holding use of "larvicide" in the names and marks "Rabon Oral Larvicide" and "Shell Poultry Spray & Larvicide" to be a fair use, notwithstanding the existence of an incontestable registration for the term "Larvacide" for a grain fumigant). So long as the use is other than as a mark (not used to identify *and distinguish*), fair and in good faith, only to describe the defendant's goods and services, it is a fair use. Consistent with the common-law defense, the statute does not require the absence of a likelihood of confusion.

The conclusive evidentiary presumptions attaching to an incontestably registered mark such as that asserted by respondents do not alter this conclusion. Rather, those address the *validity* of the underlying mark, and are not relevant to the separate issue of whether the mark has been *infringed* in violation of sections 32 and 43(a) of the Act through the defendant's creation of a likelihood of confusion in the marketplace. Thus, section 33(b) expressly provides that an incontestable registrant's "exclusive right to use" its mark "shall be subject to proof of infringement," *i.e.*, proof by the registrant of likely confusion. *See* 15 U.S.C. § 1115(b) (2000). This statutory language is neither accidental nor inadvertent:

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[5] As defined in 15 U.S.C. § 1127 (2000), a "trademark" or "service mark" is a device that is used to "identify and distinguish" the goods or services of one person from the goods or services of others.

Rather, Congress added it to section 33(b) in 1988 to "make[] clear that incontestability does not relieve the owner of an incontestable registration from the burden of proving likelihood of confusion." S. REP. NO. 100-515 (1988), at 38, *reprinted in* 1988 U.S.C.C.A.N. 5577, 5601.

To construe the statute as shifting the burden of proof to the defendant to demonstrate an absence of likely confusion, as did the Court of Appeals, is contradictory to the fundamental purpose of the defense. Both the common-law defense and the statutory defense are intended to be defenses to trademark infringement. By definition, therefore, they are defenses that are effective when a likelihood of confusion exists. It is counterintuitive to require a defendant to prove that there is no likelihood of confusion because such proof would demonstrate that there is no trademark infringement in the first instance. In that event, the defendant would not need the fair use defense at all.

Indeed, under such a construction of the statute, there would be no incentive for a defendant ever to plead the fair use defense. To do so would mean that the defendant would not only assume the plaintiff's burden of proof with regard to infringement, but it would also have to prove that its use is other than as a mark, fair and in good faith, and only to describe its goods or services. If the defendant can prove non-infringement, why would it ever assume the burden of proving the other elements of the defense? The engrafting of a requirement to prove the absence of a likelihood of confusion on the fair use defense effectively destroys the fair use defense.

The fair use defense is a defense to the existence of a likelihood of confusion. The defense must therefore be viable even if a likelihood of confusion exists. A plaintiff who chose as his mark a descriptive term cannot and should not be heard to complain if the fair and truthful use by another of



the term to describe its products causes confusion. That is the risk that the plaintiff assumed when it adopted the descriptive term as its mark. *Soweco*, 617 F.2d at 1189 n.30.

### 3. Proper Application Of The Fair Use Defense Requires Consideration Of All Evidence Truly Relevant To The Three Requirements Enunciated In The Statute And At Common Law

Although the fair use defense contemplates the existence of confusion or a likelihood of confusion, proper application of the defense cannot ignore many of the types of evidence that are germane to consideration of the multifactored test for likely confusion.[6] For example, courts have long recognized that a defendant's deliberate adoption of a trademark similar to that of a plaintiff is probative evidence that a likelihood of confusion exists between the two marks. *See, e.g., Bauer Lamp Co. v. Shaffer*, 941 F.2d 1165, 1172 (11th Cir. 1991) (per curiam). In the fair use context, a defendant's intent to trade on the goodwill of the plaintiff by using

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[6] In this case, the Court of Appeals directed the District Court to take into account the following factors on remand when determining whether a likelihood of confusion exists: (1) the strength of the respondents' mark; (2) proximity or relatedness of the parties' goods; (3) the similarity of the terms used by the parties; (4) evidence of actual confusion; (5) the marketing channels used by the parties; (6) the degree of care used by customers when making purchases; (7) the petitioner's intent; and (8) the likelihood of expansion into other markets. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1073 (9th Cir. 2003), *cert. granted*, 124 S. Ct. 981 (2004). Although the formulation and enumeration of these factors varies from Circuit to Circuit, this test is consistent with that in other jurisdictions.

descriptive terms is directly relevant to the issue of whether that use is a "fair" one made in good faith. *See, e.g., Gen. Conf. Corp. of Seventh Day Adventists v. Perez*, 97 F. Supp. 2d 1154, 1163-64 (S.D. Fla. 2000). By the same token, a defendant's averment to the Patent and Trademark Office in an application to register a challenged term that the defendant is using, or intends to use, the challenged term as a trademark obviously is relevant to section 33(b)(4)'s requirement that the term be used "otherwise than as a mark." 15 U.S.C. § 1115(b)(4) (2000). Evidence of bad faith or predatory intent therefore may be probative of whether the fair use defense is properly invoked, just as it would be relevant to the issue of likely confusion.

Similarly, certain types of actual confusion also may be probative when considering the fair use defense. In the infringement context, the existence of actual confusion is compelling evidence that confusion is likely and that infringement therefore has occurred. *See, e.g., World Carpets, Inc. v. Dick Littrell's New World Carpets*, 436 F.2d 482, 489 (5th Cir. 1971). In the fair use context, if the confusion is shown to be confusion over whether the defendant is using the term at issue as its mark, then such evidence once again may indicate that consumers do not view the defendant's use as "otherwise than as a mark" under section 33(b)(4). Mere confusion or misassociation that initially results from the existence in the plaintiff's mark of secondary meaning, however, should not be probative because this is exactly the type of confusion that must be tolerated if the other requirements of the fair use defense are met. *See Cosmetically Sealed Indus. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 31 (2d Cir. 1997).

Thus, although the significance of actual confusion in the fair use context differs from that in the infringement context, a court applying section 33(b)(4) properly should consider instances of actual confusion generated by the defendant's use in its analysis, just as other evidence bearing on the issue of likely confusion may also be probative of whether a challenged use is fair. A failure to do so simply because actual confusion also is probative evidence of infringement would upset the balance struck by the fair use defense.



## CONCLUSION

The Court of Appeals erred in this case by importing the likelihood of confusion test into section 33(b)(4) and by requiring petitioner to establish the absence of likely confusion. Recognition of that error, however, does not require a holding that all evidence bearing on the possible likelihood of confusion between the parties' marks is irrelevant to section 33(b)(4)'s fair use defense. On the contrary, certain evidence traditionally considered in the likelihood of confusion analysis will often be relevant to the inquiry into whether a junior use actually satisfies the requirements of the defense. INTA therefore urges the Court not to adopt an unduly expansive reading of section 33(b)(4) that would threaten the free flow of accurate information in the marketplace that protection of trademarks facilitates.

Respectfully submitted,

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